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Message Text

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C O N F I D E N T I A L TOKYO 11527

E.O. 11652: GDS
TAGS: PFOR, PINT, JA, US
SUBJECT: JAPANESE POLITICS AFTER TANAKA'S ARREST

SUMMARY. THE TANAKA ARREST HAS SHOCKED AND AT LEAST TEMPORARILY DISORIENTED JAPANESE POLITICIANS. CONTRARY TO EXPECTATIONS AND PAST PRECEDENT, THE ARREST INDICATES TO MANY THAT THE INVESTIGATION MAY WELL PROCEED UNMINDFUL OF POLITICAL RULES, RANKS AND TRADITIONS. FRIGHTENED POLITICIANS CAN BE CERTAIN OF ONLY TWO THINGS: THAT A FORMER PRIME MINISTER IS IN DETENTION AND THAT AN ELECTION MUST BE HELD BEFORE YEAREND. THEY KNOW THE RESULTS OF THE INVESTIGATION WILL PROFOUNDLY AFFECT MIKI'S CONTINUANCE IN OFFICE--OR REPLACEMENT, THE SCHEDULE OF EVENTS LEADING UP TO THE ELECTION, AND THE OUTCOME OF THE ELECTION ITSELF. THEY CANNOT PREDICT THESE EVENTS WITH ANY ASSURANCE BECAUSE SO MUCH DEPENDS ON POSSIBLE FURTHER ARRESTS AND AND REACTION TO THEM. THE PROSECUTORS HAVE SOME IDEA, BUT THEY THEMSELVES CANNOT BE CERTAIN WHAT FURTHER EVIDENCE
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MAY COME FROM THOSE ARRESTED OR THE UNITED STATES. MOREOVER

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REACTION TO THESE EVENTS WILL BE ADJUSTED AND READJUSTED
FROM DAY TO DAY. BUT, AS IN ALL CASES OF SHOCK, THE NEED
FOR SOME "CERTAINTY" ON WHICH TO BASE ACTIONS HAS LEAD
NEARLY EVERYONE TO OVERLOOK THE ABSENCE OF SOLID INFORMATON.
THE RESULT CONTINUES TO BE A CACAPHONY OF PREDICTIONS, MOSTLY
CONTRADICTORY, WHICH MAKES ANALYSIS EVEN MORE COMPLICATED THAN
USUAL. END SUMMARY.

1. THE TANAKA ARREST HAS LEFT JAPANESE POLITICIANS IN
A STATE OF SHOCK, VERGING ON PANIC IN SOME QUARTERS.
THIS IS BECAUSE THE ARREST WAS COMPLETELY CONTRARY TO
EXPECTATIONS HERE. BASED ON PAST EXPERIENCE, MOST
THOUGHT THAT ONLY A HANDFUL OF MIDDLE-RANKING OR AGING
CONSERVATIVE POLITICIANS MIGHT BE IMPLICATED AND, IF
TANAKA WERE QUESTIONED - LET ALONE ARRESTED - THIS
WOULD END RATEHR THAN BEGIN THE PROCESS. AT A STROKE
THE PROSECUTORS HAVE CONFOUNDED MONTHS OF SPECULATION
AND OPENED UP THE POSSIBILITY OF ADDITIONAL ARRESTS
WITHOUT RESPECT FOR POLITICAL STATUS OR TRADITIONS. EVEN THE
DURATION OF THE INVESTIGATION IS UNCLEAR. ALTHOUGH
WIDELY EXPECTED TO END SOMETIME IN AUGUST, POSTPONEMENT
OF THE ELLIOT AND CLUTTER DEPOSITIONS UNTIL EARLY
SEPTEMBER CALLS THAT ASSUMPTION INTO QUESTION.

2. FRIGHTENED POLITICIANS CAN BE CERTAIN OF ONLY TWO THINGS:
THAT A FORMER PRIME MINISTER IS IN DETENTION AND THAT AN
ELECTION MUST BE HELD BY YEAREND. IF THERE WERE DOUBTS
BEFORE, POLITICIANS NOW REALIZE THAT THE FURTHER LOCKHEED
DEVELOPMENTS - AND ARRESTS - COULD IMPORTANTLY,PERHAPS
DECISIVELY, AFFECT; (A) MIKI'S PROSPECTS FOR CONTINUING
IN OFFICE, (B) THE CHANCES OF A SUCCESSFUL MIKI OUSTER,
(C) THE POLITICAL TIMETABLE HERE, AND (D) THE TIMING AND
OUTCOME OF THE REQUIRED GENERAL ELECTION.

3. RIGHTLY OR WRONGLY, PM MIKI WILL RECEIVE THE
CREDIT OR BLAME FOR THE LOCKHEED OUTCOME BECAUSE
MOST JAPANESE BELIEVE THAT, BECAUSE OF HIS POSITION,
MIKI IS FULLY BRIEFED AND CONTROLLING, IF ONLY INDIRECTLY,
THE PROGRESS OF THE LOCKHEED PROBE. BASED ON THESE
ASSUMPTIONS, HE HAS ALREADY GAINED SUBSTANTIAL
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STATURE IN POPULAR AND MEDIA EYES FOR "NOT INTERFERING"
WITH THE TANAKA ARREST. HE HAS THUS AVOIDED ONE POTEN-
TIAL LOCKHEED PITFALL: BEING HELD RESPONSIBLE FOR AN
UNPERSUASIVE LOCKHEED INVESTIGATION--I.E. ONE WITHOUT
TANAKA INVOLVEMENT--PROMPTING MEDIA AND POPULAR CHARGES
OF COVERUP. WITH THE ARREST, A CHAMPION OF MIKI OUSTER
(TANAKA) HAS ALSO BEEN ELIMINATED.

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4. TWO OTHER OBVIOUS PITFALLS REMAIN, HOWEVER. ONE, AS WE HAVE REPORTED EARLIER, WOULD BE THE ARREST OF A CURRENT CABINET OFFICIAL OR TOP-RANKING LDP OFFICER. ANOTHER WOULD BE THE ARREST OF MORE THAN A FEW CONSERVATIVE POLITICIANS EXTENDING BEYOND THE TANAKA FACTION, LIKELY TO BE INTERPRETED AS "WIDESPREAD" LDP CORRUPTION. IN EITHER CASE, THERE WOULD BE GREAT PRESSURE, BASED ON PAST JAPANESE PRECEDENT, FOR MIKI'S RESIGNATION TO "TAKE RESPONSIBLITY". (HE HAS ALREADY HINTED HE MIGHT DO SO IN THE EVENT A CABINET OFFICIAL IS ARRESTED.)

5. IF, HOWEVER, HE NAVIGATES SUCCESSFULLY--OR IS LUCKY ENOUGH-- TO AVOID THESE TWO SHOALS, HE MAY WELL FIND HIS IMAGE STRENGTHENED, AT LEAST TEMPORARILY. HOW LONG THIS ENHANCED IMAGE WOULD LAST, HOWEVER, IS DEBATABLE, DEPENDING ON THE NATURE AND RECEPTION OF THE COMPLETED INVESTIGATION.

6. BUT EVENTS THUS FAR ALSO HAVE DISTINCT ADVANTAGES FOR THOSE WHO WOULD OUST MIKI. DEPUTY PM FUKUDA AND FINMIN OHIRA, WIDELY EXPECTED TO LEAD THE NEXT CHALLENGE, ARE SPARED THE POLITICAL LIABILITY OF A TANAKA IN THEIR RANKS. MOREOVER TANAKA'S ARREST, BY REMOVING THE MAIN FUKUDA OPPONENT AND OHIRA BACKER, COMPLETELY UPSETS THE CONSERVATIVE STANDOFF WHICH HAS SUPPORTED MIKI IN POWER. IF ANY DOUBTS REMAINED AS TO THE CHALLENGERS' CANDIDATE TO SUCCEED MIKI, THESE HAVE NOW ALMOST CERTAINLY BEEN RESOLVED IN FUKUDA'S FAVOR. AND DESPITE UNCERTAINTIES, THE CHALLENGERS ARE SAID TO BE DETERMINED TO REPLACE MIKI BEFORE THE ELECTION AND, SO FAR AS WE ARE ABLE TO JUDGE, THEY STILL ENJOY MAJORITY SUPPORT OF THE LDP AND THE BUSINESS
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COMMUNITY. REFLECTING THIS IS THE INCREASING CREDENCE AMONG THESE GROUPS GIVEN THE NOTION THAT MIKI IS WILLING TO SACRIFICE PARTY FORTUNES FOR HIS OWN POLITICAL SURVIVAL.

7. BUT IF THE TANAKA ARREST ALTERS AT LEAST TEMPORARILY INTERNAL LDP POLITICAL DYNAMICS IN FAVOR OF A FUKUDA-OHIRA CHALLENGE, FURTHER PROBE DEVELOPMENTS COULD HAVE THE OPPOSITE EFFECT, DEPENDING ON WHO IS TAKEN IN. THEY COULD, FOR EXAMPLE FORCE A MIKI RESIGNATION--OR ELIMINATE FROM CONSIDERATION THOSE WHO WOULD REPLACE HIM.

8. THE LOCKHEED PROBE ALSO AFFECTS THE POLITICAL TIME-TABLE HERE AND TIMING OF ANY POSSIBLE CHALLENGE. A CHALLENGE

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CLEARLY CANNOT BE MOUNTED UNTIL THE INVESTIGATION IS OVER. AND ENTHUSIASM FOR REPLACING MIKI WILL WANE AS THE EARLY DECEMBER DEADLINE FOR A GENERAL ELECTION NEARS. MOREOVER, AN EXTRAORDINARY DIET SESSION MUST BE HELD SOMETIME BETWEEN THE PROBE'S CONCLUSION AND THE ELECTION. THE MIKI STRATEGY IS TO CALL THE EXTRA-ORDINARY DIET SESSION (REQUIRED TO PASS IMPORTANT BUDGET FINANCING BILLS) IMMEDIATELY AFTER THE INVESTIGATION IS "FINISHED", ENDING THE SESSION WITH DISSOLUTION AND GENERAL ELECTION. CHALLENGERS, ON THE OTHER HAND, MUST SEEK TO "END" THE LOCKHEED PROBE IN TIME TO PERMIT AN OUSTER ATTEMPT WELL IN ADVANCE OF THE ELECTION. THUS EVEN THE PROBE'S DURATION MAY WELL HAVE AN IMPORTANT IMPACT ON THE CHALLENGERS' PROSPECTS.

9. THE PROBE RESULTS OBVIOUSLY WILL ALSO AFFECT ELECTION TIMING AND OUTCOME. IT IS NOT INCONCEIVABLE--ALTHOUGH UNLIKELY-- THAT THE CHAOS CREATED BY THE PROBE COULD ITSELF FORCE LOWER HOUSE DISSOLUTION. MORE LIKELY, HOWEVER, WOULD BE DISSOLUTION IN THE LATTER HALF OF SEPTEMBER OR OCTOBER AND AN ELECTION BETWEEN MID-OCTOBER AND THE END OF NOVEMBER. NO MEANINGFUL PRO-JECTIONS OF PARTY FORTUNES CAN BE MADE, HOWEVER, UNTIL THE PROBE IS COMPLETED, BECAUSE CONSERVATIVE LEADERSHIP, IMAGE AND FACTIONAL COHESION--ALONG WITH THAT OF OPPOSI-TION PARTIES---MAY YET BE DRAMATICALLY ALTERED. GIVEN CONFIDENTIAL

PRESENT BUSINESS FEARS, HOWEVER, WE ARE NOT AMONG THOSE WHO BELIEVE THE CONSERVATIVES WILL LACK CAMPAIGN MONEY.

10. IT IS ALSO STILL TOO EARLY TO JUDGE THE FINAL IMPACT OF THE LOCKHEED SCANDAL ON US-JAPAN RELATIONS. THE TANAKA ARREST AT LEAST TEMPORARILY ENDED ANY REMAINING SUSPICIONS THAT THE USG AND GOJ WERE ENGAGED IN A LOCKHEED COVER-UP ATTEMPT. ON THE OTHER HAND, PROBE INFORMATION AND ARRESTS FORCEFULLY REMIND JAPANESE THAT AMERICANS BROUGHT THE MATTER TO LIGHT AND SET THE STAGE FOR THE PAINFUL EVENTS WHICH HAVE FOLLOWED. MOREOVER, THROUGH PROMINENT PRESS DISPLAY OF PICTURES AND INDIRECT COMMENTARY, THE MEDIA UNDERSCORE A WIDE-SPREAD JAPANESE ASSUMPTION THAT TANAKA WAS URGED--PERHAPS FOR IMPROPER REASONS--- TO BUY LOCKHEED AIRCRAFT BY FORMER PRESIDENT NIXON AT THEIR 1972 HAWAII MEETING. THERE IS ALSO THE POSSIBILITY OF LINGERING ANTIPATHY TOWARD US ON THE PART OF CONSERVATIVE LEADERS (AND THEIR SUPPORTERS) WOUNDED BY THE PROBE.

11. IN SUM, ALL THAT SEEMS REASONABLY CERTAIN AT THIS POINT IS THAT ADDITIONAL LOCKHEED DEVELOPMENTS--

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IF AND WHEN THEY COME--COULD ROFOUNDLY AFFECT IN ESSENTIALLY
UNPREDICTABLE WAYS THOSE ASPECTS OF THE JAPANESE
POLITICAL SCENE OF GREATEST INTEREST TO US. THE
PROSECUTORS MAY HAVE SOME ROUGH IDEA OF THE DIRECTION
OF EVENTS, BUT THEY ARE NOT TALKING PARTLY BECAUSE THEY
DO NOT KNOW WHAT FURTHER EVIDENCE MAY BE OBTAINED
FROM THOSE ARRESTED OR FROM THE US. AND EVEN THEY ARE UNABLE
TO KNOW HOW EVENTS WILL BE INTERPRETED OR WHAT REACTION
WILL EMERGE. THE ABSENCE OF SOLID INFORMATION, HOWEVER,
HAS NOT INHIBITED PROJECTIONS, OF THINGS TO COME.
ON THE CONTRARY, THE JOB OF ANALYSIS IS COMPLICATED
BY ENDLESS, MOSTLY CONTRADICTORY, SPECULATION ABOUT
POSSIBLE EVENTS AND CONSEQUENCES NO ONE CAN FORESEE WITH
ASSURANCE.
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